

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 00048 021710Z

43

ACTION EUR-25

INFO OCT-01 ISO-00 COME-00 EB-11 L-03 SS-20 NSC-10 CIAE-00

INR-10 NSAE-00 RSC-01 DRC-01 SAJ-01 /083 W

----- 001457

R 021537Z JAN 74

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 4976

LIMITED OFFICIAL USE MOSCOW 0048

E.O. 11652: N/A

TAGS: BGEN UR US

SUBJECT: US BUSINESS REPRESENTATION IN MOSCOW

REF: STATE 252277

1. SUMMARY: LATEST RUN-DOWN ON US BUSINESS REPRESENTATION IN MOSCOW SHOWS 14 ACCREDITED FIRMS, OF WHICH SEVEN HAVE ACTUALLY OPENED OFFICES AND/OR SENT REPRESENTATIVES TO MOSCOW, WITH TOTAL OF 13 AMERICANS AND 33 SOVIET EMPLOYEES. TWO ADDITIONAL AMERICANS (FIRST NATIONAL CITY BANK) EXPECTED MONENTARILY. INTENTIONS OF OTHER SIX ACCREDITED US FIRMS NOT CURRENTLY KNOWN TO EMBASSY. SOVIET MINFOREIG TRADE (MFT) OFFICIAL ADVISED ECON COUNSELOR JAN 2 THAT TWO ADDITIONAL US FIRMS LIKELY TO BE GIVEN OFFICIAL ACCREDITATION SHORTLY. SOVIET OFFICIAL USED OCCASION TO COMPLAIN MILDLY ABOUT PROBLEMS AMTORG ENCOUNTERING IN EXPANDING ITS STAFF. END SUMMARY.

2. AS OF PRESENT MOMENT, LIST OF US COMPANIES WHICH HAVE RECEIVED ACCREDITED STATUS HAS GROWN TO 14 (BANK OF AMERICA, CHASE, FNGB, GE, OCCIDENTAL, PULLMAN, CAPRPILLAR, DOW, ENGELHART, HEWLETT-PACKARD, IBM, INTERNATIONAL HARVESTER, AMERICAN EXPRESS AND PAN AMERICAL,. THUS FAR, SIX COMPANIES (BANK OF AMERICA, CHASE, OXY, PULLMAN, AMEXCO, PANAM) HAVE OPENED OFFICES IN MOSCOW AND SEVENTH FIRM, GE, HAS REPRESENTATIVE HERE AND WILL OPEN OFFICE SHORTLY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 00048 021710Z

WE UNDERSTAND THAT TWO FNCB REPS SCHEDULED ARRIVE THIS

WEEK. INTENTIONS OF OTHER FIRMS UNCLEAR, BUT WE ASSUME ALL ARE MOVING AHEAD WITH PLANS TO OPEN OFFICES AS SOON AS POSSIBLE. ECON COUNSELOR WAS ADVISED JANUARY 2 BY RESPONSIBLE SOVIET MIN FOREIGN TRADE OFFICIAL THAT PENDING ACCREDITATIONS FOR SATRA AND HONEYWELL WERE LIKELY BE APPROVED SHORTLY. SOVIET OFFICIAL NOTED THAT SATRA ALREADY HAD WHAT AMOUNTED TO DE FACTO ACCREDITATION WITH OFFICE, TZYEX, SOVIET EMPLOYEES, ETC.

3. SIX US FIRMS WHICH HAVE ACTUALLY ESTABLISHED OFFICES HERE HAVE TOTAL OF 12 US-CITIZEN EMPLOYEES AND 30 SOVIET LOCALS. GE HAS ONE US-CITIZEN EMPLOYEE AND HAS ENGAGED THREE SOVIETS TO JWRK IN OFFICE WHICH WILL BE OPENED SHORTLY. SOVIET LOCALS, WITH EXCEPTION OF ONE OCCIDENTAL EMPLOYEE, FALL EXCLUSIVELY IN SECRETARIAL AND DRIVER/ MESSENGER CATEGORIES. SURVEY OF COMPANIES REVEALS NO THIRD-COUNTRY NATIONALS CURRENTLY EMPLOYED.

4. ALTHOUGH PANAM AND AMEXCO OFFICES ARE INCLUDED IN TOTALS GIVEN ABOVE, WE BELIEVE THAT THESE ESTABLISHMENTS SHOULD BE CONSIDERED SEPARATELY FOR PURPOSES OF CURRENT COMPARISON. PANAM HAS THREE AMERICANS AND NINE SOVIETS ON ITS MOSCOW STAFF AND AMEXCO HAS ONE AMERICAN AND THREE SOVIETS. THESE SHOULD BE COMPARED WITH STAFFS CURRENTLY MAINTAINED IN US BY AEROFLOT AND INTOURIST, RESPECTIVELY.

5. AT JANUARY 2 MEETING, SOVIET MFT OFFICIAL NOTED AMTORG'S OUTSTANDING REQUEST FOR INCREASE IN ITS STAFF, WHICH HE SAID WAS MOTIVATED PRIMARILY BY NEED TO INCREASE PROMOTION OF SOVIET EXPORTS TO US MARKET. HE COMPLAINED MILDLY ABOUT DEPARTMENT'S REACTION TO SOVIET REQUEST, WHICH HE SAID DIFFERED FROM PREVIOUS US PRACTICE WHEREBY SOVIETS HAD SIMPLY APPLIED FOR NECESSARILY VISAS AND SENT ADDITIONAL PERSONNEL TO NEW YORK. ACCORDING TO SOVIET OFFICIAL, AMTORG WAS ONLY AVAILABLE MEANS FOR SOVIETS TO INCREASE THEIR EXPORT PROMOTION EFFORTS SINCE SOVIET COMMERCIAL OFFICE IN WASHINGTON WAS NOT PERMITTED UNDER US LAW TO ENGAGE DIRECTLY IN COMMERCIAL OPERATIONS. HE SUGGESTED THAT THIS SITUATION MIGHT CHANGE*AS RESULT OF AUS RATIFICATION OF 1962 VIENNA CONVENTION, BUT RETURNED TO INSISTENCE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 00048 021710Z

THAT AMTORG WAS ESSENTIAL ELEMENT IN SOVIET EFFORT INCREASE EXPORTS TO US.

6. ON RELATED SUBJECT, SOVIET OFFICIAL SAID HE "HOPED" THAT MOSCOW OFFICE FOR US-SOVIET TRADE COUNCIL COULD BE FOUND DURING FEBRUARY. HE REPEATED PREVIOUS ADVICE OF CHAMBER OF COMMERCE PRESIDENT BORISOV THAT EMBASSY NOT BECOME INVOLVED IN CURRENT NEGOTIATIONS AMONG SOVIET

ORGANIZATIONS REGARDING OFFICE SPACE FOR COUNCIL.
SOMMERLATTE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MOSCOW00048
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740166/aaaackqt.tel
Line Count: 117
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 252277
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAR 2002 by worrelsw>; APPROVED <10 APR 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US BUSINESS REPRESENTATION IN MOSCOW
TAGS: BGEN, UR, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005